



**EXECUTIVE DIRECTOR**  
REGISTRATION • CERTIFICATION  
**Ramon J. Hirsig**

## Frequently Asked Questions

### *Who must obtain a Certificate of Registration — Lender?*

You must obtain a *Certificate of Registration — Lender*

- If you wish to claim a deduction for bad debt losses on account receivables found to be worthless, and
- If the account receivables were acquired from a retailer that previously paid the sales and/or use tax, on the sale of tangible personal property.

A lender may be a person who purchased or holds an account receivable acquired without recourse from a retailer. The retailer must have previously reported California sales or use tax on the sale of tangible personal property for which credit was extended to the buyer. A “lender” does not need to be a person already registered with the Board.

In cases where a retailer, who already holds a seller’s permit, purchases an account receivable from another retailer, the purchasing retailer must also register as a “Lender” if they want to claim the “Bad Debt-Lender Loss” deduction. The certificate is issued once a completed application has been submitted to the Board. To apply for a certificate, please complete and submit the application provided on page 5.

### *After I complete my application, will I receive a certificate?*

If you do not hold a California seller’s permit, you will be issued a *Certificate of Registration — Lender* with a new permit account number.

If you hold a California seller’s permit, you will be issued a *Certificate of Registration — Lender* using the same number as your seller’s permit. Your seller’s permit account will be updated to reflect the fact that you are a lender.

### *Are there any other requirements before I can file a claim?*

To claim deductions for bad debt losses or claim a refund of sales or use tax for bad debt losses you must first file an election agreement (see Regulation 1642 for requirements).

### *Is there a charge for the certificate?*

No, there is no charge for the certificate. However, if you also plan to register as a retailer in the State of California, you may be required to post a security deposit. Security deposits are applied against any unpaid taxes that may be owed at the time a business closes.

### *Is information regarding my account subject to public disclosure?*

Your records are generally covered by state laws that protect your privacy. However, some records are subject to public

disclosure, such as the information on your certificate, names of owners, or corporate officers, your business address, and your certificate status. See also the disclosure information on the back page.

### *Why do you need to verify my driver’s license number?*

This is required to ensure the accuracy of the information provided and to protect you against fraudulent use of your identification.

### *What are my rights and responsibilities as a certificate holder?*

When you obtain a *Certificate of Registration — Lender*, you acquire certain rights and responsibilities. For example,

- **You must keep records** to substantiate your claimed bad debt lender deductions and/or subsequent recoveries reported on your returns. If you are a retailer as well as a lender, you must also substantiate your sales and deductions claimed on your returns, as well as any purchases you have made for your business. You must retain the election agreement and you must keep your records for four years.
- **You must file returns** on or before the last day of the month following the close of your reporting period. You **must** file a return even if you have no bad debt lender losses to claim or bad debt recoveries to report. Retailers who are also lenders **must** also file a tax return even if they have no tax to report or bad debt lender losses.
- **You must notify the Board if you move, change ownership of, or sell your business.** Your account is valid only at the address and for the type of ownership specified on the application. You should notify the Board of any change in ownership. If you do not, you could be held liable for the continuing business taxes. In addition, you should immediately notify us in writing if you discontinue your business. Your notification will help us to close your account and return any security you may have on deposit.
- **You should notify us immediately if you drop or add a partner.** This may protect former partners from tax liabilities incurred by the business after the partnership change.

If you have questions about information contained in this application, please contact one of our offices listed on page 4.



## How Do I Apply for My Certificate of Registration — Lender?

### Message from the Executive Director

We appreciate the fact that as the operator of a business, you may be responsible for a variety of obligations, such as payroll taxes, insurance, and employee benefits — all of which have their own rules and procedures to follow.

For that reason, we want to make it as easy as possible for you to work with us. As you can see on page 7, we provide many services to help you with your questions.

If you are unable to find the answers you need, please call our Information Center. Our trained representatives will be glad to help.

Ramon J. Hirsig

### Step 1: Complete Your Application

Fill out and return the application provided on page 5. The application is perforated to make it easy to remove. Be sure to refer to the “Tips” on page 4 as you complete your application. If you need assistance, please call our Information Center, 800-400-7115.

Be sure to provide all the information required for your certificate. If you do not, this will delay the issuance of a certificate.

### Step 2: Send It in for Processing

If you have not been instructed to return your application to our Information Center in Sacramento, you should send or take it to the district office nearest your place of business. If you need a district office address, call our Information Center, 800-400-7115, or visit our Internet site, [www.boe.ca.gov](http://www.boe.ca.gov). If you plan to travel to a district office, you should call ahead to find out when they are open.

Make a copy of your application for your files.

### Step 3: After Your Application Has Been Approved

You should receive your certificate in approximately two weeks after we have received your application, assuming your application is complete. There is no charge for the certificate.

Based on the information on your application, you will be given regulations, forms, and other publications that may apply to your business.

If you are applying for a *Certificate of Registration — Lender* and are not a registered retailer, you may be required to file returns on a quarterly basis. If you are a retailer, already registered as a seller your filing basis will not change.

Once you are registered you must submit your election agreement(s) to the Board. You may then claim your bad debt lender losses and recoveries on your tax returns.

**INFORMATION CENTER****800-400-7115**

FOR TDD ASSISTANCE

From TDD phones: 800-735-2929

From voice phones: 800-735-2922

**DISTRICT OFFICE FOR  
OUT-OF-STATE ACCOUNTS**

916-227-6600

**FIELD OFFICES**

CALL FOR ADDRESSES

City	Area	Number Code
Bakersfield	661	395-2880
Culver City	310	342-1000
El Centro	760	352-3431
Eureka	707	445-6500
Fresno	559	248-4219
Kearny Mesa	858	636-3191
Laguna Hills	949	461-5711
Long Beach	562	901-2483
Norwalk	562	466-1694
Oakland	510	622-4100
Rancho Mirage	760	346-8096
Redding	530	224-4729
Riverside	951	680-6400
Sacramento	916	227-6700
Salinas	831	443-3003
San Diego	619	525-4526
San Francisco	415	703-5400
San Jose	408	277-1231
San Marcos	760	510-5850
Santa Ana	714	558-4059
Santa Rosa	707	576-2100
Suisun City	707	428-2041
Van Nuys	818	904-2300
Ventura	805	677-2700
West Covina	626	480-7200

## Tips for Filling Out Your Application

### Ownership Information

**Items 1-19: Type of Ownership and Owner Information**

**All applicants.** You must provide the information requested for each type of owner (for example, for each partner, manager, corporate officer, and so forth). Attach additional sheets if necessary.

**All partnerships.** Partnerships should provide a copy of their written partnership agreement, if one exists. If you file your agreement with us *at the time you apply for a permit* and your agreement specifies that all business assets are held *in the name of the partnership*, the law requires the Board to attempt to collect any delinquent tax liability from the partnership assets before it attempts to collect from the partners' personal assets. You should notify us immediately if you add or drop partners (see page 2).

**All limited liability companies (LLCs):** You must provide copies of your Articles of Organization.

**Item 7: Retailer — Provide Seller's Permit Number**

If you are currently a registered retailer, please provide your current seller's permit number.

**Items 10, 11, 16, 17: Driver License/Social Security Number**

You must provide your Social Security number and driver license or California Identification Card number. You must also provide a copy of your driver license, California Identification Card, or a valid Identification Card in your state (if not from California). This information is kept in strictest confidence.

### Business Information

**Items 20 to 31**

As a lender completing this application, you may note that some information requested does not pertain to your business operation. In those instances, please enter "none" or "does not apply" in the appropriate space.

**Items 32 to 34**

List the names, addresses and telephone numbers of major assignees of accounts. Use additional sheets of paper as required.

**Items 35 to 39: Ownership and Organizational Changes**

If you purchased an existing business, we need to know the previous owner's name and account number. To make sure you won't have to pay the previous owner's unpaid taxes, you should write to us and request a tax clearance before you buy. If you are changing from one type of business organization to another (for example, from a sole owner to a corporation or from a partnership to a limited liability company), provide the previous owner's name and account number.

### Certification

Be sure to sign your application before you mail it in. As indicated on the application, only certain persons are authorized to sign the form.

# APPLICATION FOR CERTIFICATE OF REGISTRATION LENDER ACCOUNT

1. TYPE OF OWNERSHIP (check one) <span style="float: right;">* Must provide partnership agreement</span> <input type="checkbox"/> Sole Owner <input type="checkbox"/> Husband/Wife Co-ownership <input type="checkbox"/> Corporation <input type="checkbox"/> Limited Liability Company (LLC) <input type="checkbox"/> General Partnership <span style="font-size: small;">(Must provide Articles of Incorporation or Operating Agreement)</span> <input type="checkbox"/> Limited Partnership (LP) * <span style="font-size: small;">(Must provide Trust Agreement)</span> <input type="checkbox"/> Domestic Partnership <input type="checkbox"/> Limited Liability Partnership (LLP)* <span style="font-size: small;">(Registered to practice law, accounting, or architecture)</span> <input type="checkbox"/> Other (describe) _____		FOR BOARD USE ONLY			
		TAX	IND	OFFICE	ACCOUNT NUMBER
		NAICS CODE	BUSINESS CODE	A.C.C. CODE	AREA CODE
		PROCESSED BY	CERTIFICATE ISSUE DATE ____ / ____ / ____		REPORTING BASIS
		VERIFICATION <input type="checkbox"/> DL <input type="checkbox"/> PA <input type="checkbox"/> Other			
2. NAME OF SOLE OWNER, CORPORATION, LLC, PARTNERSHIP, OR TRUST		3. STATE OF INCORPORATION OR ORGANIZATION			
4. BUSINESS TRADE NAME [DBA] (if any)		5. FEDERAL EMPLOYER IDENTIFICATION NUMBER (FEIN)			
6. CORPORATE, LLC, LLP OR LP NUMBER FROM CALIFORNIA SECRETARY OF STATE		7. RETAILER - PROVIDE SELLER'S PERMIT NUMBER			
<b>CHECK ONE</b> <input type="checkbox"/> Owner/Co-Owners <input type="checkbox"/> Partners <input type="checkbox"/> Domestic Partners <input type="checkbox"/> Corp. Officers <input type="checkbox"/> LLC Officers/Managers/Members <input type="checkbox"/> Trustees/Beneficiaries <span style="font-size: small; text-align: center;">Use additional sheets to include information for more than two individuals.</span>					
8. FULL NAME (first, middle, last)					9. TITLE
10. SOCIAL SECURITY NUMBER (corporate officers excluded)				11. DRIVER LICENSE NUMBER (attach copy)	
12. HOME ADDRESS (street, city, state, zip code)					13. HOME TELEPHONE NUMBER (       )
14. FULL NAME (first, middle, last)					15. TITLE
16. SOCIAL SECURITY NUMBER (corporate officers excluded)				17. DRIVER LICENSE NUMBER (attach copy)	
18. HOME ADDRESS (street, city, state, zip code)					19. HOME TELEPHONE NUMBER (       )
20. BUSINESS ADDRESS (street, city, state, zip code) [do not list PO Box or mailing service]					21. BUSINESS TELEPHONE NUMBER (       )
22. MAILING ADDRESS (street, city, state, zip code) [if different from business address]					23. BUSINESS FAX NUMBER (       )
24. DO YOU MAKE INTERNET SALES? <input type="checkbox"/> Yes <input type="checkbox"/> No				25. BUSINESS WEBSITE ADDRESS <b>WWW.</b>	
26. NAME OF BANK OR OTHER FINANCIAL INSTITUTION (note whether business or personal)				27. BANK BRANCH LOCATION	
28. NAME OF PERSON MAINTAINING YOUR RECORDS		29. ADDRESS (street, city, state, zip code)		30. TELEPHONE NUMBER (       )	
31. ADDRESS WHERE BOOKS AND RECORDS, SUITABLE FOR AUDIT PURPOSES, ARE MAINTAINED (street, city, state zip code)					
32. NAMES OF MAJOR ASSIGNEES OF ACCOUNTS		33. ADDRESS (street, city, state, zip code)		34. TELEPHONE NUMBER (       )	
				(       )	
				(       )	
				(       )	
				(       )	

(continued on reverse)

tear at perforation



35. Are you buying an existing business? ☐ Yes ☐ No If yes, complete items 38 and 39.

36. Are you changing from one type of business organization to another (for example, from a sole owner to a corporation or from a partnership to a limited liability company, etc.)? ☐ Yes ☐ No If yes, complete items 38 and 39.

37. Other Ownership Changes (*please describe*): \_\_\_\_\_

38. FORMER OWNER'S NAME	39. CERTIFICATE OF SELLER'S PERMIT NUMBER
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**All owners and members must sign below.**

NAME (typed or printed)	SIGNATURE 	DATE
NAME (typed or printed)	SIGNATURE 	DATE

FORMS		REGULATIONS		PUBLICATIONS	RETURNS
<input type="checkbox"/> BOE-8	<input type="checkbox"/> BOE-467	<input type="checkbox"/> REG. 1642	<input type="checkbox"/> REG. 1698	_____	_____
<input type="checkbox"/> BOE-162	<input type="checkbox"/> _____	<input type="checkbox"/> _____	<input type="checkbox"/> _____	_____	_____



## Where Can I Get Help?

No doubt you will have questions about how the Sales and Use Tax Law applies to your business operations. For assistance, you may take advantage of the resources listed below.

### INFORMATION CENTER

**800-400-7115**

FOR TDD ASSISTANCE

*From TDD phones: 800-735-2929*

*From voice phones: 800-735-2922*

Customer service representatives are available from 8 a.m. through 5 p.m., Monday-Friday, excluding State holidays.

**Faxback Service.** To order fax copies of selected forms and notices, call 800-400-7115 and choose the automated services option. You can call at any time for this service.

### TRANSLATOR SERVICES

We can provide bilingual services for persons who need assistance in a language other than English.

### WRITTEN TAX ADVICE

It is best to get tax advice from the Board in writing. You may be relieved of tax, penalty, or interest charges if we determine you did not correctly report tax because you reasonably relied on our written advice regarding a transaction.

For this relief to apply, your request for advice must be in writing, identify the taxpayer to whom the advice applies, and fully describe the facts and circumstances of the transaction.

Send your request for written advice to: State Board of Equalization, MIC:44; Public Information and Administration Section; PO Box 942879, Sacramento, CA 94279-0044.

### CLASSES

You may enroll in a basic sales and use tax class offered by some local Board offices. You should call ahead to find out when your local office conducts classes for beginning sellers.

### INTERNET

***www.boe.ca.gov***

Our website includes lots of useful information. For example, you can find out what the tax rate is in a particular county, or you can download numerous publications — such as laws, regulations, pamphlets, and policy manuals — that will help you understand how the law applies to your business. You can also verify sellers' permit numbers on line, read about upcoming Taxpayers' Bill of Rights hearings, and obtain information on Board field office addresses and telephone numbers.

Another good resource — especially for starting businesses — is the California Tax Information Center at *www.taxes.ca.gov*.

### TAXPAYERS' RIGHTS ADVOCATE OFFICE

If you would like to know more about your rights as a taxpayer or if you are unable to resolve an issue with the Board, please contact the Taxpayers' Rights Advocate office for help. Call 916-324-2798 (or toll-free, 888-324-2798). Their fax number is 916-323-3319.

If you prefer, you can write to them at the following address: Taxpayers' Rights Advocate, MIC:70; State Board of Equalization; 450 N Street, PO Box 942879; Sacramento, CA 94279-0070.

To request a copy of publication 70, *The California Taxpayers' Bill of Rights*, call the Information Center or visit our Internet site.

### FIELD OFFICES

See page 4.

## **Sales and Use Tax Privacy Notice**

### **Information Provided to the Board of Equalization**

We ask you for information so that we can administer the state's sales and use tax laws (Revenue and Taxation Code sections 6001-7176, 7200-7226, 7251-7279.6, 7285-7288.6). We will use the information to determine whether you are paying the correct amount of tax and to collect any amounts you owe. You must provide all of the information we request, including your Social Security number (used for identification purposes [see Title 42 U.S. Code sec.405(c)(2)(C)(i)]).

#### **What happens if I don't provide the information?**

If your application is incomplete, we may not issue your seller's permit or use tax certificate. If you do not file complete returns, you may have to pay penalties and interest. Penalties may also apply if you don't provide other information we request or that is required by law, or if you give us fraudulent information. In some cases, you may be subject to criminal prosecution.

In addition, if you don't provide information we request to support your exemptions, credits, exclusions, or adjustments, we may not allow them. You may end up owing more tax or receiving a smaller refund.

#### **Can anyone else see my information?**

Your records are covered by state laws that protect your privacy. However, we may share information regarding your account with certain government agencies (see the list in the following column). We may also share certain information with companies authorized to represent local governments.

Under some circumstances we may release to the public the information printed on your permit, account start and closeout dates, and names of business owners or partners. When you sell a business, we can give the buyer or other involved parties information regarding your outstanding tax liability.

With your written permission, we can release information regarding your account to anyone you designate.

#### **We may disclose information to the proper officials of the following agencies, among others:**

- United States government agencies: U.S. Attorney's Office; Bureau of Alcohol, Tobacco and Firearms; Depts. of Agriculture, Defense, and Justice; Federal Bureau of Investigation; General Accounting Office; Internal Revenue Service; Interstate Commerce Commission
- State of California government agencies and officials: Air Resources Board; Dept. of Alcoholic Beverage Control; Auctioneer Commission; Dept. of Motor Vehicles; Employment Development Department; Energy Commission; Exposition and Fairs; Dept. of Food and Agriculture; Board of Forestry; Forest Products Commission; Franchise Tax Board; Dept. of Health Services; Highway Patrol; Dept. of Housing and Community Development; California Parent Locator Service
- State agencies outside of California for tax enforcement purposes
- City attorneys and city prosecutors; county district attorneys, police and sheriff departments.

#### **Can I review my records?**

Yes. Please contact your closest Board office (see the white pages of your phone book). If you need more information, you may contact our Disclosure Office in Sacramento by calling 916-445-2918. You may also want to obtain publication 58-A, *How to Inspect and Correct Your Records*. You may download it from the Internet: [www.boe.ca.gov](http://www.boe.ca.gov) (look under "Forms, Publications, Reports & News") or order a copy from our Information Center at 800-400-7115.

#### **Who is responsible for maintaining my records?**

The deputy director of the Sales and Use Tax Department, whom you may contact by calling 916-445-6464 or writing to the address shown.

Deputy Director  
Sales and Use Tax Department, MIC:43  
450 N Street  
Sacramento, CA 95814

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